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UN Special Session: African Economic Situation July 1986

Background: The causes of Africa's economic crisis extend back many years. Since the 1960s, when most African countries became independent, the standard of living of the average African has declined, and the gap is growing between population and internal production, particularly food. Per capita GNP in about half the countries is less than $400 a year.

Some of the Africans' economic difficulties resulted from external factors beyond their control--weather, international prices for their commodity exports, and interest rate fluctuations--but others have been self-imposed. Many African countries neglected their agricultural sectors, which employ most of their population; borrowed heavily for investments with low productivity; and adopted government controls that distorted market activity at a high cost.

African leaders have learned from experience and are now making economic policy changes that should lay the basis for sustained economic growth. As part of the rebuilding process, the heads of African states met in Addis Ababa in July 1985 to approve a program of action called Africa's Priority Program for Economic Recovery 1986-1990 (APPER). In this document, African leaders pledged to strengthen incentive schemes; review public investment policies; improve economic management, with greater discipline and more efficient use of resources; and encourage domestic resource mobilization and the role of the private sector.

Special session called: While the African states followed up on this program at home, they also pursued their efforts in the international arena. In December 1985, at their request, the UN General Assembly called for a Special Session on the Critical Economic Situation in Africa. Following 3 months of intermittent meetings of its preparatory committee, the UN special session met May 27-June 1, 1986. It was the first special session on a regional economic problem in the 40-year history of the UN.

The discussions were constructive. The Africans reaffirmed their commitment to economic restructuring, hoping that donor countries would respond by making specific commitments on debt relief and increased concessional assistance levels. They also wanted the donors to endorse APPER. The donors, many of them faced with budgetary pressures at home, were either unwilling or unable to make specific commitments. The US took the strongest position on debt by pointing out that the current case-by-case approach, coupled with adjustment measures, was still the best way to proceed. The donors gave APPER high praise but could not endorse it entirely.

Commitment to action: After a series of compromises, the African states and the international community committed themselves in a "spirit of genuine and equal partnership" to a UN Program of Action

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for African Economic Recovery Development 1986-90. The framework of this understanding, which took key sections from APPER, required the African states to:

- Undertake necessary economic reform and structural adjustment;
- Rehabilitate and develop agriculture;
- Address the problems of drought and desertification; and
- Ensure the productive use of scarce resources.

For its part, the international community recognized that "the African countries need additional external resources" and committed itself to improve the quality of its external assistance and to try to provide sufficient resources to support and supplement the African development efforts. The international community agreed to:

- Shift the emphasis from project to program support;
- Increase the concessionality of development assistance;
- Improve donor coordination methods; and
- Urge the speedy replenishment of the World Bank's International Development Association.

The language of the final document was consistent with US positions on debt, commodities, and protectionism. Soviet-proposed polemic language was rejected by the Africans. The opposition of many non-African developing countries of the Group of 77 to the linkage between economic restructuring and foreign assistance and to the language on debt and protectionism also was overcome. Most important, however, was the establishment of a tie between economic reform and international assistance, accompanied by the reaffirmation by Africa and the international community to work together to solve African economic problems.

US policy: The US views the special session as part of a continuing effort to address African economic problems. Although many African states began to restructure their economies several years ago, others are just beginning. The US expects that the special session will give momentum to these efforts.

In recent years, the US and other donors have increased their support for economic policy change in Africa. Some tangible examples of US efforts include the African Economic Policy Reform Program, US participation in the Work Bank's Special Facility for Africa, and the US-inspired International Monetary Fund's Structural Adjustment Facility. The special session confirmed that the international community and African countries share the same objectives. Joint forceful action is now required to attain them.

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